

Message Text

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ACTION EA-12

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TO SECSTATE WASHDC PRIORITY 0687
INFO AMCONSUL HONG KONG
AMEMBASSY MOSCOW
AMEMBASSY TOKYO
CINCPAC HONOLULU HI

C O N F I D E N T I A L PEKING 1335

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PEPR CH US UR EXCON
SUBJ: CHINESE PRESS NOTES PRM-31 CONTROVERSY

1. SUMMARY. QUOTING FROM THE US WEEKLY "HUMAN EVENTS," A MAY 10 NEW CHINA NEWS AGENCY (NCNA) REPORT EMPHASIZES OPPOSITION TO PRM-31 AMONG "HARD-LINE FOREIGN POLICY SPECIALISTS WITHIN THE (CARTER) ADMINISTRATION" UNCONVINCED THAT FLOW OF US TECHNOLOGY TO THE SOVIET UNION IS IN THE LONG-TERM INTEREST OF THE US. THE ARTICLE NOTES THAT DESPITE CRITICISM PRM-31 "IS LIKELY TO BECOME THE BASIS OF THE PRESIDENT'S POLICY ON SOVIET TRADE." ALTHOUGH CHINESE REACTION TO THE DAEDALUS SALE DISAPPROVAL HAS SO FAR BEEN CONFINED TO THE ENGLISH-LANGUAGE DAILY SUMMARY OF FOREIGN PRESS REPORTS, WE WOULD NOT BE SURPRISED TO SEE INVIDIOUS COMPARISONS OF THE TWO DECISIONS BEGIN TO CREEP INTO THE SET-PIECE PRC DISCOURSE ON AMERICAN "APPEASEMENT." END SUMMARY.

2. A MAY 10 NCNA ITEM, QUOTING FROM THE US WEEKLY "HUMAN
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EVENTS," EMPHASIZES OPPOSITION TO PRESIDENTIAL REVIEW MEMORANDUM (PRM-31) AMONG "HARD-LINE FOREIGN POLICY SPECIALISTS WITHIN THE (CARTER) ADMINISTRATION" UNCONVINCED THAT FLOW OF US TECHNOLOGY TO THE SOVIET UNION IS IN THE LONG-TERM INTEREST OF THE US. NCNA QUOTES SELECTIVELY FROM THE "HUMAN EVENTS" ARTICLE PUBLISHED ON MAY 6 SO AS TO GENERATE DOUBTS ABOUT THE WISDOM OF THE DOCUMENT. IT RELATES:

"THE SPECIAL TASK FORCE HEADED BY DR. BEN HUBERMAN OF THE WHITE HOUSE'S OFFICE OF SCIENCE AND TECHNOLOGY IGNORES THE WARNING OF THE DEFENSE DEPARTMENT AND THE CENTRAL INTELLIGENCE AGENCY ABOUT THE EXTREME DANGERS INHERENT IN SUPPLYING THE SOVIETS WITH US ADVANCED TECHNOLOGY."

--"SUCH TRADE REPRESENTS A CLEAR, LONG-TERM THREAT TO THE US SECURITY AND ECONOMY" (ACCORDING TO ONE EXPERT)... THIS EXPERT ALSO REMARKED...THAT THE PRESENT US ADMINISTRATION HAS BASED ITS POLICY ON 'THE CONCEPT THAT THE US SHOULD SEDUCE THE SOVIETS BY TRADE AND USE OUR TECHNOLOGY AS A BARGAINING CHIP, BUT THIS IGNORES THE EVIDENCE THAT EAST-WEST TRADE, SINCE DETENTE, HAS ENABLE THE SOVIETS TO CLOSE CRITICAL STRATEGIC AND TECHNOLOGICAL GAPS."

3. THE ARTICLE CONCLUDES BY NOTING THAT DESPITE CONTROVERSY AND CRITICISM PRM-31 "IS LIKELY TO BECOME THE BASIS OF THE PRESIDENT'S POLICY ON SOVIET TRADE."

4. MEANWHILE, OFFICIAL PRC MEDIA HAVE THUS FAR IGNORED THE US DECISION TO BLOCK PROPOSED SALE OF DAEDALUS EQUIPMENT TO THE PRC. THE MAY 10 ENGLISH-LANGUAGE "NEWS FROM FOREIGN AGENCIES AND PRESS" -- PUBLISHED BY NCNA AND USUALLY A FAIR BAROMETER OF THE CONTENT AND EDITORIAL LINE OF THE RESTRICTED, CHINESE-LANGUAGE DAILY FOREIGN PRESS SUMMARY "REFERENCE NEWS" -- CARRIES A MAY 9 REUTER REPORT ON THE SUBJECT, HOWEVER. THAT REPORT, AS EDITED BY NCNA, CONFIDENTIAL

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NOTES THAT "THE DECISION REPRESENTED NO CHANGE IN THE POLICY OF SEEKING INCREASED TRADE WITH CHINA...BUT THERE ARE ALWAYS SECURITY CONSIDERATIONS. THE ACTION...CAME LESS THAN TWO WEEKS BEFORE WHITE HOUSE NATIONAL SECURITY ADVISER ZBIGNIEW BRZEZINSKI WAS TO FLY TO PEKING FOR CONSULTATIONS."

5. COMMENT: WE WOULD NOT BE SURPRISED TO SEE INVIDIOUS COMPARISONS OF PRM-31 AND THE DAEDALUS DECISION BEGIN TO CREEP INTO THE SET-PIECE PRC DISCOURSE ON AMERICAN "APPEASEMENT" OF THE SOVIET UNION. TO THE CHINESE, WHO HAVE OCCASIONALLY REMAKRED UNHAPPILY ON THE "APPARENT" BELIEF BY SOME AMERICANS THAT THE PRC REMAINS AN "ENEMY," THE TWO DECISIONS TAKEN TOGETHER WILL BE SEEN AS FURTHER "EVIDENCE" OF THIS MIND-SET.
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